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SUBJECT: US-EU COEST CONSULTATIONS PART 1: CENTRAL ASIA

- 11. (SBU) SUMMARY: On February 9 in Brussels, EUR DAS Lynn Pascoe -- accompanied by EUR/ACE Deputy Dan Rosenblum and EUR/ERA Director Kathy Allegrone -- discussed US-EU cooperation in Central Asia and the South Caucasus with the EU's COEST Troika. This cable covers the Central Asia portion of the consultations. The South Caucasus portion will be reported septel.
- -- Kazakhstan: Country remains relative bright spot in region, but still needs outside pressure to continue reforms; immediate priority is for US and EU to coordinate closely on the ground during run up to parliamentary elections.
- -- Uzbekistan: EU shares US concerns about new NGO registration procedures; EU considering how to respond to UNHRC resolution; wants to be firm on HR without pushing Karimov away.
- -- Kyrgyzstan: EU is pleased with Kyrgyzstan's extension of death penalty moratorium, but sees progress on new election code as insufficient; new Commission office in Bishkek will provide opportunity for enhanced US-EU pre-election coordination.
- -- Tajikistan: Commission soon to open office in Dushanbe; will emphasize border controls and counternarcotics in upgraded dialogue with Tajikistan.
- -- Chinese Policies: EU keen to hear US views on Chinese regional policies; glad to learn US views them as generally non-threatening with regard to Central Asia. END SUMMARY.

Regional Comments

12. (SBU) Irish Presidency rep Barbara Jones said she had recently met with the Russian Ambassador to the OSCE in Vienna, who did not see the US/EU/OSCE as having a role to play in the democratization of the region. Jones concluded from this that much of the U.S. and EU effort would therefore be bilateral, as Russia would limit the OSCE's role in the region. Commission Central Asia and Caucasus Director Kurt Juul said he has noted increased Russian and Chinese interest in Central Asia; the EU will continue its focus on regional programs but the challenge is for the countries of Central Asia to take concrete steps on political and economic reforms. Commissioner Patten plans to visit Central Asia in March. Since the last COEST Troika, Juul said that the EU has initialed a partnership and Cooperation Agreement with Tajikistan.

Turkmenistan

13. (SBU) Juul said the EU has noted an increased desire on the part of Turkmenistan for a dialogue with the EC. Following the EU's recent formal trade and cooperation meeting with the Turkmen, an informal discussion was held that included an extensive review of human rights issues. The EU, Juul said, was encouraged and is prepared to test the waters with Ashgabat and engage the Turkmen further.

Kazakhstan

14. (SBU) Juul termed events in Kazakhstan as reflecting an increasingly "normal" development, with some positive movement on human rights issues. He said that European companies remain excited about the business potential of Kazakhstan,s increasing role as a major energy supplier. While serious concerns about the business environment persist, European companies seemed committed to continuing their engagement with the GOK, he said. Juul noted that Russian companies also seemed increasingly interested in investing in the Kazakh private sector.

Pascoe agreed that Kazakhstan,s energy assets and early reform efforts pointed toward a brighter future than most of its neighbors, but cautioned that we should continue pressing Nazarbayev to consolidate the positive changes and follow

through on his reform commitments. Jones pointed out that Nazarbayev,s apparent effort to crown his daughter for presidential succession did not bode well for ongoing political reforms. Pascoe agreed that it bore watching, but noted that Kazakhstan had a large pool of competent progressive officials who would work for progress. immediate priority, he said, was for the US and EU to coordinate closely on the ground during the run up to parliamentary elections to ensure a positive pre-election environment and broader political representation in the new parliament. Jones emphatically agreed, and said she would push for the same kind of close coordination that we have benefited from in Ukraine. She would also support a Brussels-Washington link if it helped with coordination on the ground, but noted that field coordination would, as usual, be most fruitful.

Uzbekistan

- \P 5. (SBU) The EU agreed with Pascoe that Uzbekistan posed a particular challenge because on the one hand it remains a notable human rights violator while on the other it continues to make progress) albeit grudging and halting) on political reform. Uzbekistan has not strayed from its determination to do just enough to keep the West off its back. Karimov had yet to realize that political and economic reform was necessary for Uzbekistan,s development, Pascoe said. Yet firm pressure works in Central Asia, Juul observed, and should be maintained; but we must also be careful to recognize the positive steps as they are taken. Both sides agreed that the key challenge was to maintain a firm line with Karimov while also not pushing him away from the table.
- 16. (SBU) Jones said the EU shared US concerns about Tashkent,s new NGO policy, and did not accept FM Safayev,s explanation that the transfer of NGO monitoring authority from the Foreign to the Interior Ministry was a technical shift only. Irish COEST Deputy Chair Peter McIver said that Safayev told the EU at Cooperation Council meeting on January 27 that the government made the change because the Foreign Ministry could only assign one staffer to the NGO office, while the Interior Ministry had more resources and could thus do a better job. The EU found the assertion laughable, Jones said, but their overall impression of Safayev had been positive. The Council Secretariat, s Michael Swann said that Human Rights Watch (HRW) had visited his office the day after the Cooperation Council meetings. HRW claimed that Safayev, while slick and well-spoken, was no better than the others, and had been sent because Karimov thought his considerable charm could woo the West. HRW said it would accuse the EU of backpeddling if the Conclusions issued by January's meetings were any softer than those of earlier EU-Uzbekistan meetings.
- 17. (SBU) Jones said the EU is still discussing how to handle a resolution on Uzbekistan in the UNHRC this year. The EU felt bound to call Tashkent on its abuses, but was also keen not to do anything that might disrupt Uzbekistan's grudging progress. Pascoe said the US shared the dilemma. He also noted that Karimov has lately been asking for support on education reform. Donors should consider how to take advantage of this opening. Jones said the EU would consider its options. Jones closed by observing that March and April would be active months for Uzbekistan, with UNHRC and visits to the country by the EBRD and Commissioner Patten (March 14). Jones and Pascoe agreed that it would be useful to regroup and together assess next steps after these events.

Kyrgyzstan

18. (SBU) Dutch Deputy Director Renette van der Waal conveyed a mixed EU assessment of Kyrgyz progress. The EU was pleased with Kyrgyzstan's extension of the death penalty moratorium, but thought that insufficient progress was being made on the new election code. Jull said the EU would meet with Akayev in March and would discuss progress on human rights, civil society and economic reform. Pascoe agreed with the mixed assessment, but said that the mix leaned more heavily to the positive side than the negative. Kyrgyzstan is undertaking some good reforms, he said, but the efforts are hampered by Kyrgyzstan's poverty and lack of resources and experience.

Jones said she would task the German Embassy (representing EU interests) and the soon to be opened Commission delegation in Bishkek to begin coordinating pre-election activities as soon as possible with the US Embassy.

Tajikistan

19. (SBU) Pascoe said political stability and the drug trade continued to be Tajikistans' biggest challenges. Our main push is to help the country to normality. Pascoe also said the US was pleased that the Commission had decided to open a delegation in Dushanbe. Juul said the EU's upgraded dialogue with Tajikistan would emphasize border controls and

counternarcotics. Swann echoed Juul's statement and pointed out that countering drugs and organized crime was moving up the EU's international agenda in light of the recently adopted European Security Strategy.

China,s Central Asia Policy

110. (SBU) Pascoe fielded several questions from Troika members keen to hear US views on China,s Central Asia policy. In response, Pascoe said that China,s actions appeared fairly transparent, and motivated by obvious security and energy interests. Asked about the Shanghai Cooperation Organization (SCO), Pascoe said that the SCO appeared hobbled by a lack of financial support from anywhere save Beijing. The US had expressed an interest in observer status, but neither the Chinese nor the Russians seemed enthusiastic about this. (COMMENT: The EU did not offer a view of its own, seeming instead to be in search of information that would help the EU determine if it should be concerned about China,s increasing interest in its western neighborhood. Several Troika members appeared relieved to learn that the US did not view China,s engagement in Central Asia, including the SCO, as a major threat. END COMMENT.)

Dushanbe minimize considered.

Schnabel